Setting up A 500 MW Gas Thermal Power Project in Tripura

409. SHRI KHAGEN DAS: Will the Minister of POWER be pleased to state:

(a) whether Government proposes to set up a 500 MW Gas Thermal Power Project in Tripura-,

(b) if so, what is the present status of this project; and

(c) whether any budgetary provision has been made for this project in the current financial year?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (c) Yes, Sir. A Gas Based Thermal Power Project with an installed capacity of 500 MW is proposed to be set up in Tripura by North Eastern Electric Power Corporation (NEEPCO) as a Central Sector Project. NEEPCO has since initiated steps to obtain requisite statutory clearances for implementing this Project. After the Project has been accorded techno-economic clearance by the Central Electricity Authority, the Government will consider according investment approval to the Project.

A provision of Rs. 9.00 crores has been made for the Project in the Demands for Grants of the Ministry for the year 2001-2002.

Recommendations of Expert Group Headed By Shri M.S. Ahluwalia

410. SHRI C. RAMACHANDRAIAH: Will the Minister of POWER be pleased to state:

(a) whether Government have by now received the recommendations of the high level expert group headed by the former Planning Commission member Shri M.S. Ahluwalia to suggest measures for settlement of outstanding dues of State Electricity Boards to Central utilities like NTPC, Railways, etc. and future strategy for their capital restructuring;

(b) if so, details of main recommedations;

(c) the reaction of Union Government thereto;

(d) whether State Governments have favourably- reacted to these recommendations; and

(e) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

(b) to (e) Under the Chairmanship of the Prime Minister a Chief Minister's Conference was held in March, 2001. Among other issues the Conference resolved to constitute and Expert Group to recommended a one time settlement of outstanding dues of the SEBs to the CPSU and dues from the CPSU to the State Power Utilities.

An Expert Group under the Chairmanship of Shri M.S. Ahluwalia, the then Member (Energy), Planning Commission was constituted in March, 2001. The Expert Group has since submitted two reports. The first report relating to one time settlement of outstanding dues was submitted in May, 2001 and the second report relating to capital restructuring and reforms was submitted in July, 2001.

The main features of the scheme recommended by the Expert Group for one time settlement of outstanding dues are as under:—

(a) The Group recommended 50 per cent waiver of surcharge/ interest on delayed payments.

(b) For the remaining dues *i.e.* the entire principal outstanding as well as the remaining 50% surcharge, bonds would be issued by the respective State Governments.

(c) The bonds would be issued through RBI at a tax free interest rate 8.5% p.a.

(d) The bonds should structured to achieve a moratorium of 5 years on repayment of principal with the entire principal being repaid between the 6th and 15th year.

(e) These bonds shall be identical to bonds issued in connection with the market borrowing of State Governments, with the

attendant discipline in repayments. The bonds will be subject to lock-in restrictions that will allow release of only 10 per cent of the bonds in the secondary market each year.

(f) For ensuring timely payment of current dues in future, defaults in current payment for powerful/fuel should attract a graded reduction in the supply of power from central power stations and in coal supplies. Where such defaults exceed 90 days from the date of billing, the Ministry of Finance should recover these dues through adjustment against release dues to them from the Centre.

(g) As part of the scheme, SEB should accept reform-based performance milestones such as setting up SERCs, metering of distribution feeders and improvement in revenue realisation. The milestones should be specified in the MoUs to be signed with the Ministry of Power.

(h) The State should be offered incentives for complying with the scheme. If SEBs do not default on their current dues and adhere to the performance milestones, CPSUs should pay them, during the first four year commencing from 1.4.2001, biannual cash incentives equal to 2 per cent of the value of bonds.

(i) Further, if SEBs open and maintain LCs till the end of December 2001, CPSUs should pay them a one-time cash incentive equal to 2 per cent of the value of bonds.

(j) In addition, State undertaking reforms should also be asssisted through APDP grants and discretionary allocation of power.

(k) This scheme should enter into force only after one-half of the States that have an annual billing of over Rs. 500 crore per annum from CPSUs give their consent, and should be effective in respect of the State that give such consent.

(1) The States that withhold their consent beyond 60 days after this scheme enters into force should be denied any share in the discretionary allocation of 15 per cent from the power stations of CPSUs as well as any assistance under APDP. If the overdues of such States exceeded Rs. 50 crores in respect of any CPSU, they

should also attract reduction in power and coal supplies, as applicable to the State participating in this scheme.

Following the submission of the Report of the Expert Group a high level Empowered Group consisting of Finance Minister, Dy. Chairman, Planning Commission, Minister of Power and Chief Ministers of some States met on 26.6.2001 and 6.7.2001. The Empowered Group endorsed the recommendations of the Expert Group with the following modifications:—

(i) Waiver of surcharge would now be 60% instead of 50% as recommended by the Group.

(ii) The incentives for achieving the reform based milestones shall be increased to 6% in the first year 5% in the second year.

Recently, Minister of Power has written to Chief Ministers of States and UTs urging them to initiate necessary steps for implementation of the scheme at the earliest.

The second report of the Expert Group has also been received recently and is under examination.

Laying and Construction of Transmission Lines/Tower in the Country

411. SHRI BHAGATRAM MANHAR:

SHRI DILIP SINGH JUDEV:

Will the Minister of POWER be pleased to state:

(a) whether Power Grid Corporation of India Ltd. (PGCIL) is engaged in the business of laying and construction of transmission lines/towers in the country;

(b) if so, the details of major projects completed so far or likely to be completed with the details of companies who have executed the project on behalf of PGCIL; and

(c) the details of cost of each project, distance covered (area-wise), name of the firms who have executed the project and number of towers constructed during the last three years?